

**CONTRACT #10**  
**RFS # 329.17-009**  
**FA # 06-16717**

**Correction**

**VENDOR:**  
**PTS of America, LLC**

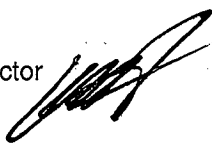


STATE OF TENNESSEE  
DEPARTMENT OF CORRECTION  
6<sup>TH</sup> FLOOR RACHEL JACKSON BUILDING  
320 SIXTH AVENUE NORTH  
NASHVILLE, TENNESSEE 37243-0465  
OFFICE (615) 741-1000 EXT. 8105 • FAX (615) 741-4605

RECEIVED  
OCT 31 2008  
FISCAL REVIEW

## MEMORANDUM

**TO:** Leni Chick  
Contract & Audit Coordinator  
Fiscal Review Committee Staff

**FROM:** William M. Anderson, Acting Director  
Contracts Administration 

**DATE:** October 28, 2008

**SUBJECT:** Request for Non-Competitive Amendment  
329.17-009  
FA-06-16717-00  
PTS of America, LLC

Enclosed is a Non-Competitive Amendment Request to the contract between the Department of Correction and PTS of America, LLC. This enclosed documentation details information required pursuant to Department of Finance and Administration rules and policy.

The Tennessee Department of Correction respectfully submits this Non-Competitive Amendment Request for Fiscal Review Committee comments and/or approval.

Thank you for your consideration of this matter.

/lr  
Enclosures

# Supplemental Documentation Required for Fiscal Review Committee

*Contact Name:	William M. Anderson, Acting Director – Contracts Administration	*Contact Phone:	615.253.8104
*Contract Number:	FA-06-16717-00	*RFS Number:	329.17-009
*Original Contract Begin Date:	May 1, 2006	*Current End Date:	June 30, 2009
Current Request Amendment Number: <i>(if applicable)</i>		One (1)	
Proposed Amendment Effective Date: <i>(if applicable)</i>		12/1/08	
*Department Submitting:		Department of Correction	
*Division:		Contracts Administration	
*Date Submitted:		10/28/08	
*Submitted Within Sixty (60) days:		No	
<i>If not, explain:</i>		Confusion with the allocation of funds	
*Contract Vendor Name:		PTS of America, LLC	
*Current Maximum Liability:		\$167,560.00	
*Current Contract Allocation by Fiscal Year: <i>(as Shown on Most Current Fully Executed Contract Summary Sheet)</i>			
FY: 2006	FY: 2007	FY: 2008	FY: 2009
\$ 10,000.00	\$ 91,480.00	\$ 53,040.00	\$ 13,040.00
*Current Total Expenditures by Fiscal Year of Contract: <i>(attach backup documentation from STARS or FDAS report)</i>			
FY: 2006	FY: 2007	FY: 2008	FY: 2009
\$ 8,309.00	\$ 63,792.50	\$ 53,033.44	\$
IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:			
IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:			
IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:			
*Contract Funding Source/Amount:	State:	\$ 167,560.00	Federal: \$
Interdepartmental:	\$		Other: \$
If "other" please define:			
Dates of All Previous Amendments or Revisions: <i>(if applicable)</i>		Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i>	
Method of Original Award: <i>(if applicable)</i> RFP			

## Contracts object code 08 detail FY06

FDAS REPORT FILTER:

(Department = 329:DEPARTMENT OF CORRECTION) And ({Effective Year} = 2006) And ({Funding Year} = "2006") And ({Major Object} = 08:PROFESSIONAL AND ADMINISTRATIVE SERVICES) And (Division = 01:DIVISION OF ADMINISTRATION)

[illegible]

# Contracts object code 08 detail FY07

## REPORT FILTER:

(Department = 329:DEPARTMENT OF CORRECTION) And ({Effective Year} = 2007) And ({Funding Year} {{Funding Year}} = "2007") And

((Major Object} = 08:PROFESSIONAL AND ADMINISTRATIVE SERVICES)) And (Division = 01:DIVISION OF ADMINISTRATION)

Department	Division	Funding Year	Vendor Name	2007 Total Expenditures	2007 Total
329	01	2007	PTS OF AMERICA, LLC	933.00	
329	01	2007	PTS OF AMERICA, LLC	874.00	
329	01	2007	PTS OF AMERICA, LLC	656.00	
329	01	2007	PTS OF AMERICA, LLC	625.00	
329	01	2007	PTS OF AMERICA, LLC	732.00	
329	01	2007	PTS OF AMERICA, LLC	443.00	
329	01	2007	PTS OF AMERICA, LLC	0.00	
329	01	2007	PTS OF AMERICA, LLC	0.00	
329	01	2007	PTS OF AMERICA, LLC	0.00	
329	01	2007	PTS OF AMERICA, LLC	0.00	
329	01	2007	PTS OF AMERICA, LLC	0.00	
329	01	2007	PTS OF AMERICA, LLC	0.00	
329	01	2007	PTS OF AMERICA, LLC	569.00	
329	01	2007	PTS OF AMERICA, LLC	901.00	
329	01	2007	PTS OF AMERICA, LLC	1,207.00	
329	01	2007	PTS OF AMERICA, LLC	816.50	
329	01	2007	PTS OF AMERICA, LLC	847.00	
329	01	2007	PTS OF AMERICA, LLC	0.00	
329	01	2007	PTS OF AMERICA, LLC	0.00	
329	01	2007	PTS OF AMERICA, LLC	0.00	
329	01	2007	PTS OF AMERICA, LLC	0.00	
329	01	2007	PTS OF AMERICA, LLC	0.00	
329	01	2007	PTS OF AMERICA, LLC	555.00	
329	01	2007	PTS OF AMERICA, LLC	2,289.00	
329	01	2007	PTS OF AMERICA, LLC	458.00	
329	01	2007	PTS OF AMERICA, LLC	0.00	
329	01	2007	PTS OF AMERICA, LLC	0.00	
329	01	2007	PTS OF AMERICA, LLC	0.00	
329	01	2007	PTS OF AMERICA, LLC	793.00	
329	01	2007	PTS OF AMERICA, LLC	0.00	
329	01	2007	PTS OF AMERICA, LLC	375.00	
329	01	2007	PTS OF AMERICA, LLC	697.00	
329	01	2007	PTS OF AMERICA, LLC	344.00	
329	01	2007	PTS OF AMERICA, LLC	656.00	
329	01	2007	PTS OF AMERICA, LLC	0.00	
329	01	2007	PTS OF AMERICA, LLC	0.00	

329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	1,064.00
329	01	2007	PTS OF AMERICA, LLC	437.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	446.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	385.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	575.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	669.00
329	01	2007	PTS OF AMERICA, LLC	1,001.00
329	01	2007	PTS OF AMERICA, LLC	1,621.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	563.00
329	01	2007	PTS OF AMERICA, LLC	910.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	768.00
329	01	2007	PTS OF AMERICA, LLC	474.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	544.00
329	01	2007	PTS OF AMERICA, LLC	776.00
329	01	2007	PTS OF AMERICA, LLC	732.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	556.00
329	01	2007	PTS OF AMERICA, LLC	1,983.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	886.00
329	01	2007	PTS OF AMERICA, LLC	656.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	750.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	544.00



329	01	2007	PTS OF AMERICA, LLC	813.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	714.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	424.00
329	01	2007	PTS OF AMERICA, LLC	2,243.00
329	01	2007	PTS OF AMERICA, LLC	2,363.00
329	01	2007	PTS OF AMERICA, LLC	512.00
329	01	2007	PTS OF AMERICA, LLC	784.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	619.00
329	01	2007	PTS OF AMERICA, LLC	809.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	749.00
329	01	2007	PTS OF AMERICA, LLC	1,017.00
329	01	2007	PTS OF AMERICA, LLC	635.00
329	01	2007	PTS OF AMERICA, LLC	1,796.00
329	01	2007	PTS OF AMERICA, LLC	1,147.00
329	01	2007	PTS OF AMERICA, LLC	452.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	483.00
329	01	2007	PTS OF AMERICA, LLC	655.00
329	01	2007	PTS OF AMERICA, LLC	1,980.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	2,128.00
329	01	2007	PTS OF AMERICA, LLC	492.50
329	01	2007	PTS OF AMERICA, LLC	1,232.50
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	0.00

329	01	2007	PTS OF AMERICA, LLC	875.00
329	01	2007	PTS OF AMERICA, LLC	948.00
329	01	2007	PTS OF AMERICA, LLC	847.00
329	01	2007	PTS OF AMERICA, LLC	545.00
329	01	2007	PTS OF AMERICA, LLC	482.00
329	01	2007	PTS OF AMERICA, LLC	1,106.00
329	01	2007	PTS OF AMERICA, LLC	765.00
329	01	2007	PTS OF AMERICA, LLC	1,066.00
329	01	2007	PTS OF AMERICA, LLC	821.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	1,664.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	827.00
329	01	2007	PTS OF AMERICA, LLC	0.00
329	01	2007	PTS OF AMERICA, LLC	688.00
329	01	2007	PTS OF AMERICA, LLC	\$63,792.50



# Object code 08 detail, FY08

		Effective Year	2008
		Vendor Name	Total Expenditures
32901	083	NATIONAL COUNCIL ON CRIME & DELINQUENCY	16,034.17
32901	083	AMERICAN CORRECTIONAL ASSOCIATION	4,845.00
32901	083	MHM SERVICES INC	5,062,157.63
32901	083	PROJECT RETURN INC	134,982.44
32901	083	CORPORATE VIDEO, INC	1,644.00
32901	083	WORKFORCE ESSENTIALS INC	223,074.00
32901	083	OKLAHOMA SCORING SERVICES INC	4,248.75
32901	083	PTS OF AMERICA,LLC	56,033.44
32901	083	JFA ASSOCIATES LLC	37,000.00
32901	083	MEDTOX LABORATORIES INC	56,859.50
32901	083	CORRECTIONS RESEARCH INSTITUTE	9,000.00
32901	083	DONA L HOWELL	8,750.00
32901	083	ANDREW OSBORNE	3,600.00
32901	083	MOUNTAIN STATE CRIMINAL JUSTICE RESEARCH	4,000.00
32901	083	STANTON E SAMENOW PHD PC	4,900.00
32901	084	KIMBERLY CAPPS	70.84
32901	084	CHRIS L HAINES	108.10
32901	084	JAMES WALKER PHD	2,064.00
32901	084	DONNA L MOORE	1,400.00
32901	084	WILLIAM SCOTT WEST MD	10,200.00
32901	084	MAXIM HEALTHCARE SERVICES INC	123,422.31
32901	084	MEDICAL STAFFING NETWORK, INC.	50,963.82
32901	084	HOPE OF EAST TENNESSEE INC	78,486.00
32901	084	INDEPENDENT RADIOLOGY ASSOC.	249.00
32901	084	CORRECTIONAL COUNSELING INC	111,083.19
32901	084	LIFE COUNSELING SVCS PC	974.40
32901	084	YOU HAVE THE POWER	43,798.99
32901	084	NURSEFINDERS, INC	570.00
32901	084	NURSEFINDERS OF KNOXVILLE	52,986.32
32901	084	APRIL A COKER	637.50
32901	084	PHYLLIS G TARKINGTON	800.00
32901	084	JENNIFER L THOMPSON	300.00
32901	084	FCM-MTC MEDICAL LLC	39,744,202.43
32901	084	LAKEISHA DAVIS	4,387.50
32901	084	REGINA TOOMES	225.00

# REQUEST: NON-COMPETITIVE AMENDMENT

APPROVED

Commissioner of Finance & Administration

Date:

EACH REQUEST ITEM BELOW MUST BE DETAILED OR ADDRESSED AS REQUIRED.

1) RFS #	329.17-009	
2) State Agency Name :	Department of Correction	
EXISTING CONTRACT INFORMATION		
3) Service Caption :	Interstate Transportation of Inmates	
4) Contractor :	PTS of America, LLC	
5) Contract #	FA-06-16717-00	
6) Contract Start Date :	May 1, 2006	
7) <u>Current</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :	June 30, 2009	
8) <u>Current</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :	\$167,560.00	
PROPOSED AMENDMENT INFORMATION		
9) <u>Proposed</u> Amendment #	One	
10) <u>Proposed</u> Amendment Effective Date : (attached explanation required if date is < 60 days after F&A receipt)	December 1, 2008	
11) <u>Proposed</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :	June 30, 2010	
12) <u>Proposed</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :	\$280,560.00	
13) Approval Criteria : (select one)	<input checked="checked" type="checkbox"/> use of Non-Competitive Negotiation is in the best interest of the state <input type="checkbox"/> only one uniquely qualified service provider able to provide the service	
14) Description of the Proposed Amendment Effects & Any Additional Service :		
Amendment does not propose additional services.		
15) Explanation of Need for the Proposed Amendment :		
To provide continuity of said contract services and exercise the term extension, then proceed to issue a new RFP in sufficient time prior		

to proposed contract end date.

**16) Name & Address of Contractor's Current Principal Owner(s) :**

(not required if proposed contractor is a state education institution)

Kent D. Wood, Owner  
PTS of America, LLC  
P.O. Box 121591  
Nashville, Tennessee 37243-0465

**17) Documentation of Office for Information Resources Endorsement :**

(required only if the subject service involves information technology; N/A to THDA requests)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

**18) Documentation of Department of Personnel Endorsement :**

(required only if the subject service involves training for state employees)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

**19) Documentation of State Architect Endorsement :**

(required only if the subject service involves construction or real property related services)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

**20) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives :**

The proposed amendment extends the contract for an additional year and maintains continuity of services at the current cost.

**21) Justification for the Proposed Non-Competitive Amendment :**

The DOC issued this RFP on April 29, 2005, and had two bidders. The contract, which began July 1, 2005, was initially awarded to Wackenhut Corporation. In February 2006, Wackenhut made a corporate decision to no longer participate in the prisoner transport business. The DOC then requested to award to PTS of America, LLC, who was next in line to receive award, was approved March 2006. With this amendment, there is no change in the rate; and, continuity of services and cost to the State is in the best interest of the State to continue with an extension of this contract.

**REQUESTING AGENCY HEAD SIGNATURE & DATE :**

(must be signed & dated by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR— signature by an authorized signatory will be accepted only in documented exigent circumstances)

Agency Head Signature

Date

10-30-06

# C O N T R A C T   S U M M A R Y   S H E E T

021908

<b>RFS #</b>				<b>Contract #</b>			
<b>329 . 01 — 17 — 009</b>				FA-06-16717-			
<b>State Agency</b>				<b>State Agency Division</b>			
Department of Correction				Administration			
<b>Contractor Name</b>				<b>Contractor ID # (FEIN or SSN)</b>			
PTS of America, LLC				<input type="checkbox"/> C- or <input checked="" type="checkbox"/> V-		571183449	
<b>Service Description</b>							
Classes to Inmates related to Victim Impact							
<b>Contract Begin Date</b>		<b>Contract End Date</b>		<b>SUBRECIPIENT or VENDOR?</b>		<b>CFDA #</b>	
5/1/2006		6/30/2010		Vendor		n/a	
<b>Mark Each TRUE Statement</b>							
<input checked="" type="checkbox"/> Contractor is on STARS				<input checked="" type="checkbox"/> Contractor's Form W-9 is on file in Accounts			
<b>Allotment Code</b>	<b>Cost Center</b>	<b>Object Code</b>	<b>Fund</b>	<b>Funding Grant Code</b>	<b>Funding Subgrant Code</b>		
329.01	90	083	11				
<b>FY</b>	<b>State</b>	<b>Federal</b>	<b>Interdepartmental</b>	<b>Other</b>	<b>TOTAL Contract Amount</b>		
2006	10,000.00				10,000.00		
2007	51,480.00				51,480.00		
2008	53,040.00				53,040.00		
2009	66,040.00				66,040.00		
2010	53,000.00				53,000.00		
<b>TOTAL:</b>						<b>280,560.00</b>	

<b>— COMPLETE FOR AMENDMENTS ONLY —</b>			<b>State Agency Fiscal Contact &amp; Telephone #</b>	
<b>FY</b>	<b>Base Contract &amp; Prior Amendments</b>	<b>THIS Amendment ONLY</b>	Joey Gallaher 253-8096	
2006	10,000.00		<b>State Agency Budget Officer Approval</b>  <b>Funding Certification</b> (certification, required by T.C.A., § 9-4-5113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)	
2007	91,480.00			
2008	53,040.00			
2009	13,040.00	53,000.00		
2010		60,000.00		
<b>TOTAL:</b>		<b>167,560.00</b>	<b>113,000.00</b>	
<b>End Date:</b>	<b>6/30/2009</b>	<b>6/30/2010</b>		

<b>Contractor Ownership</b> (complete for ALL base contracts— N/A to amendments or delegated authorities)					
<input type="checkbox"/> African American	<input type="checkbox"/> Person w/ Disability	<input type="checkbox"/> Hispanic	<input type="checkbox"/> Small Business	<input type="checkbox"/> Government	
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	<input checked="" type="checkbox"/> NOT Minority/Disadvantaged	<input type="checkbox"/> Other	
<b>Contractor Selection Method</b> (complete for ALL base contracts— N/A to amendments or delegated authorities)					
<input checked="" type="checkbox"/> RFP	<input type="checkbox"/> Competitive Negotiation *	<input type="checkbox"/> Alternative Competitive Method *			
<input type="checkbox"/> Non-Competitive Negotiation *	<input type="checkbox"/> Negotiation w/ Government (ID, GG, GU)	<input type="checkbox"/> Other *			
<b>* Procurement Process Summary</b> (complete for selection by Non-Competitive Negotiation, Competitive Negotiation, OR Alternative Method)					
n/a					

**AMENDMENT ONE  
TO FA-06-16717-00**

This Contract Amendment is made and entered by and between the State of Tennessee, Department of Correction, hereinafter referred to as the "State" and PTS of America, LLC, hereinafter referred to as the "Contractor." It is mutually understood and agreed by and between said, undersigned contracting parties that the subject Contract is hereby amended as follows:

1. The text of Contract Section B.1. is deleted in its entirety and replaced with the following:  
  
B.1. Contract Term. This Contract shall be effective for the period commencing on May 1, 2006 and ending on June 30, 2010.
2. The text of Contract Section C.1. is deleted in its entirety and replaced with the following:  
  
C.1. Maximum Liability. In no event shall the maximum liability of the Procuring State Agency under this Contract exceed TWO HUNDRED EIGHTY THOUSAND FIVE HUNDRED SIXTY DOLLARS (\$280,560.00). The payment rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The payment rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.
3. The text of Contract Section E.2. is deleted in its entirety and replaced with the following:  
  
E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by EMAIL or facsimile transmission with recipient confirmation. Any such communications, regardless of method of transmission, shall be addressed to the respective party at the appropriate mailing address, facsimile number, or EMAIL address as set forth below or to that of such other party or address, as may be hereafter specified by written notice.

The State:

Reuben V. Hodge, Assistant Commissioner  
Department of Correction  
Rachel Jackson Building  
320 Sixth Avenue North  
Nashville, TN 37243-0465

Telephone: 615-253-8171  
Fax: 615-532-8281

The Contractor:

Al Correnti, VP Sales  
PTS of America, LLC  
P.O. Box 121591  
Nashville, Tennessee 37212

TELEPHONE NUMBER: 615-352-9798  
FACSIMILE NUMBER: 615-352-9737

All instructions, notices, consents, demands, or other communications shall be considered effectively given upon receipt or recipient confirmation as may be required.



4. The following is added as Contract Section E.9.:

- E.9. Voluntary Buyout Program. The Grantee acknowledges and understands that, for a period of two years beginning August 16, 2008, restrictions are imposed on former state employees who received a State of Tennessee Voluntary Buyout Program (VBP) severance payment with regard to contracts with state agencies that participated in the VBP.
- a. The State will not contract with either a former state employee who received a VBP severance payment or an entity in which a former state employee who received a VBP severance payment or the spouse of such an individual holds a controlling financial interest.
  - b. The State may contract with an entity with which a former state employee who received a VBP severance payment is an employee or an independent contractor. Notwithstanding the foregoing, the Grantee understands and agrees that there may be unique business circumstances under which a return to work by a former state employee who received a VBP severance payment as an employee or an independent contractor of a State grantee would not be appropriate, and in such cases the State may refuse Grantee personnel. Inasmuch, it shall be the responsibility of the State to review Grantee personnel to identify any such issues.
  - c. With reference to either subsection a. or b. above, a grantee may submit a written request for a waiver of the VBP restrictions regarding a former state employee and a contract with a state agency that participated in the VBP. Any such request must be submitted to the State in the form of the *VBP Contracting Restriction Waiver Request* format available from the State and the Internet at: [www.state.tn.us/finance/rds/ocr/waiver.html](http://www.state.tn.us/finance/rds/ocr/waiver.html). The determination on such a request shall be at the sole discretion of the head of the state agency that is a Party to this Grant Contract, the Commissioner of Finance and Administration, and the Commissioner of Human Resources.

5. The following is added as Contract Section E.10.

- E.10. Criminal History Record Check. A criminal history record check and fingerprints shall be conducted on all new and prospective employees of the Contractors, whether they are full-time, part-time or contract employees. This check shall be conducted prior to their assignment to a Department of Correction institution. Such inquiries will be made to determine whether there are past or pending criminal matters that would adversely impact the mission. Annual background checks shall also be conducted, whether they are full-time, part-time or contract employees.

6. The following is added as Contract Section E.11.

- E.11. Prohibition of Illegal Immigrants. The requirements of Public Acts of 2006, Chapter Number 878, of the state of Tennessee, addressing the use of illegal immigrants in the performance of any Contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.
- a. The Contractor hereby attests, certifies, warrants, and assures that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Attachment ONE, hereto, semi-annually during the period of this Contract.

## ATTACHMENT ONE

## ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	329.17-009
CONTRACTOR LEGAL ENTITY NAME:	PTS of America, LLC
FEDERAL EMPLOYER IDENTIFICATION NUMBER: (or Social Security Number)	571183449

The Contractor, identified above, does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract.

---

**CONTRACTOR SIGNATURE**

NOTICE: This attestation MUST be signed by an individual empowered to contractually bind the Contractor. If said individual is not the chief executive or president, this document shall attach evidence showing the individual's authority to contractually bind the Contractor.

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**PRINTED NAME AND TITLE OF SIGNATORY**

---

**DATE OF ATTESTATION**

## CONTRACT SUMMARY SHEET

021406

RFS #	Contract #
329.17-009	
State Agency	State Agency Division
Department of Correction	Administration
Contractor Name	Contractor ID # (FEIN or SSN)
PTS of America, LLC	<input type="checkbox"/> C- or X V- 571183449

Service Description			
Interstate Transportation of Inmates			
Contract Begin Date	Contract End Date	SUBRECIPIENT or VENDOR?	CFDA #
5/1/2006	6/30/2009	Vendor	n/a

Mark Each TRUE Statement					
X Contractor is on STARS			X Contractor's Form W-9 is on file in Accounts		
Allotment Code	Cost Center	Object Code	Fund	Funding Grant Code	Funding Subgrant Code
329.01	90	083	11		
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2006	10,000.00				10,000.00
2007	91,480.00				91,480.00 — 51,480.00
2008	53,040.00				53,040.00
2009	13,040.00				13,040.00 — 53,040.00
TOTAL:	167,560.00				167,560.00

— COMPLETE FOR AMENDMENTS ONLY —			State Agency Fiscal Contact & Telephone #
FY	Base Contract & Prior Amendments	THIS Amendment ONLY	Garland Johnson 741-1000 Ext. 8096
			State Agency Budget Officer Approval
			Funding Certification (certification, required by T.C.A., § 9-4-5113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)
TOTAL:			
End Date:			

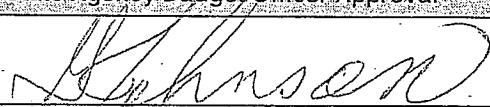
Contractor Ownership (complete only for base contracts with contract # prefix: FA or GR)			
<input type="checkbox"/> African American	<input type="checkbox"/> Person w/ Disability	<input type="checkbox"/> Hispanic	<input type="checkbox"/> Small Business
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	<input checked="" type="checkbox"/> NOT minority/disadvantaged
<input type="checkbox"/> OTHER minority/disadvantaged—			
Contractor Selection Method (complete for ALL base contracts— N/A to amendments or delegated authorities)			
<input checked="" type="checkbox"/> RFP	<input type="checkbox"/> Competitive Negotiation	<input type="checkbox"/> Alternative Competitive Method	
<input type="checkbox"/> Non-Competitive Negotiation	<input type="checkbox"/> Negotiation w/ Government (e.g., ID, GG, GU)	<input type="checkbox"/> Other	

Procurement Process Summary (complete for selection by Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, OR Other)
n/a

APR 26

# CONTRACT SUMMARY SHEET

021406

RFS #				Contract #			
329.17-009				FA-06-16712-08			
State Agency				State Agency Division			
Department of Correction				Administration			
Contractor Name				Contractor ID # (FEIN or SSN)			
PTS of America, LLC				<input type="checkbox"/> C- or <input checked="" type="checkbox"/> V-		571183449	
Service Description							
Interstate Transportation of Inmates							
Contract Begin Date		Contract End Date		SUBRECIPIENT or VENDOR?		CFDA #	
5/1/2006		6/30/2009		Vendor		n/a	
Mark Each TRUE Statement							
<input checked="" type="checkbox"/> Contractor is on STARS				<input checked="" type="checkbox"/> Contractor's Form W-9 is on file in Accounts			
Allotment Code		Cost Center		Object Code		Fund	
329.01		90		083		11	
FY		State		Federal		Interdepartmental	
2006		10,000.00					
2007		51,480.00					
2008		53,040.00					
2009		53,040.00					
TOTAL:		167,560.00				167,560.00	
— COMPLETE FOR AMENDMENTS ONLY —				State Agency Fiscal Contact & Telephone #			
FY		Base Contract & Prior Amendments		THIS Amendment ONLY		Garland Johnson 741-1000 Ext. 8096	
						State Agency Budget Officer Approval	
						 Funding Certification (certification, required by T.C.A., § 9-4-5113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)	
TOTAL:							
End Date:							
Contractor Ownership (complete only for base contracts with contract # prefix: FA or GR)							
<input type="checkbox"/> African American <input type="checkbox"/> Person w/ Disability <input type="checkbox"/> Hispanic <input type="checkbox"/> Small Business <input checked="" type="checkbox"/> NOT minority/disadvantaged <input type="checkbox"/> Asian <input type="checkbox"/> Female <input type="checkbox"/> Native American <input type="checkbox"/> OTHER minority/disadvantaged—							
Contractor Selection Method (complete for ALL base contracts— N/A to amendments or delegated authorities)							
<input checked="" type="checkbox"/> X RFP <input type="checkbox"/> Competitive Negotiation <input type="checkbox"/> Alternative Competitive Method <input type="checkbox"/> Non-Competitive Negotiation <input type="checkbox"/> Negotiation w/ Government (e.g., ID, GG, GU) <input type="checkbox"/> Other							
Procurement Process Summary (complete for selection by Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, OR Other)							
n/a							

APR - 4 2006

DIRECTOR OF ACCOUNTS

**CONTRACT**  
**BETWEEN THE STATE OF TENNESSEE,**  
**DEPARTMENT OF CORRECTION**  
**AND**  
**PTS OF AMERICA, LLC**

**RECEIVED**

2006 MAR 30 AM 10:53

COMPTROLLER'S OFFICE  
OFFICE OF  
MANAGEMENT SERVICES

This Contract, by and between the State of Tennessee, Department of Correction, (TDOC), hereinafter referred to as the "State" and PTS of America, LLC, hereinafter referred to as the "Contractor," is for the provision of transportation services, as further defined in the "SCOPE OF SERVICES."

The Contractor is a limited liability company. The Contractor's address is:

P.O. Box 121591 Nashville, Tennessee 37212.

The Contractor's place of incorporation or organization is Tennessee.

**A. SCOPE OF SERVICES:**

- A.1. Contractor agrees to arrange for and take custody of prisoner when notified by the State. The State shall make every effort to provide the Contractor with as much as ten (10) days' notice, when possible. However, the agency having custody may not provide the State with adequate notice. In such instances, the Contractor shall respond if given at least forty-eight (48) hours notice. Contractor will ensure that inmate(s) from the sending institution are stripped-searched (in accordance with TDOC policy 506.06 incorporated herein by reference) prior to boarding transportation vehicle(s) and will follow the transporting procedures of this policy.
- A.2. Contractor shall ensure that each prisoner is restrained with proper, standard law enforcement devices as approved by the State. These devices (to be provided by contractor) include handcuffs with key slot cover, waist chains, and leg irons.
- A.3. Contractor shall maintain a fleet of vehicles (with list provided) compliant with all applicable United States Department of Transportation regulations sufficient to accomplish the services required by the State. Each vehicle shall be properly secured by:
  - a. Welded steel security screening sufficient to separate prisoners from transportation officers and to protect transportation officers from inmates.
  - b. Welded steel security screening covering vehicle windows and doors in passenger compartment to prevent escape.
  - c. Vehicle doors of passenger compartment which cannot be opened from the interior, but accessible only on the exterior by officer.
- A.4. Vehicles shall meet basic standards of safety, including but not limited to, evidence of regular service/maintenance as recommended by the manufacturer, not exceeding the manufacturer's recommendation or standard for useful life of the vehicle, and be properly equipped for emergencies (e.g., communications equipment capable of immediate notice to emergency services in the area of operation, fire extinguishing equipment, medical emergency kits, and equipment or tools for emergency extrication of passengers).
- A.5. Vehicles' fuel reservoirs shall meet current industry standards for protection against rupture, explosion, or ignition, which includes covering to reduce likelihood of rupture from foreign objects. ~~Vehicle drive shafts shall have protection brackets to hold shaft in place in the event of separation from the universal joint.~~

APR - 4 2006

DIRECTOR OF ACCOUNTS



- A.6. Contractor shall employ a minimum of two (2) officers per vehicle when transporting a prisoner for the State. At least one of the officers for each scheduled trip for the State shall have a minimum of one year's experience in transporting prisoners.
- a. Transport officers shall have received at least one hundred (100) hours of job-related training regarding use of restraints, searches of prisoners, use of force to include use of appropriate weapons and firearms, cardiopulmonary resuscitation (CPR), map reading and defensive driving. Documentation of training shall be maintained by the Contractor and available for review by the State, upon request. Transport officers shall be supervised by the Contractor's staff.
- Screening requirements for transport officers shall include two (2) years of correctional experience, military experience or law enforcement experience. Pre-employment screening measures must include a background check as described in 28 C.F.R. Section 97.11 incorporated herein by reference and a test for use of controlled substances
- b. Where transportation officers are assigned weapons in the course of transportation duties, initial and annual requirements in firearms use and weapons qualifications shall at a minimum be in accordance with the requirements of TDOC Policy 506.09 which is incorporated by reference herein.
  - c. Evidence of firearms competency of personnel as well as licensure or governmental authority to carry/use firearms during the course of duty in transporting prisoners for the State shall be maintained by the Contractor and available for review by the State, upon request.
  - d. Contractor shall comply with the Interstate Transportation of Dangerous Criminals Act of 2000, codified at 42 U.S.C. § 13726, and regulations issued thereunder, including, but not limited to, 28 C.F.R. Part 97, whether as currently adopted or as may be amended from time to time, which are fully incorporated herein by reference.
- A.7. When transporting a female prisoner, the Contractor shall make every effort to ensure that at least one female transport officer is assigned from point of custody to the TDOC destination. In instances when assignment of a female transport officer is not possible, the Contractor shall notify the State in advance. Male and female prisoners shall only be transported in the same vehicle when separate compartments are provided.
- A.8. Limits on continuous travel, hours and miles driven by transport officers shall be in accordance with Section 395.5, (Maximum Driving Time for Passenger Carrying Vehicles) of the United States Department of Transportation regulations, the provisions of which are incorporated herein by reference.
- A.9. Type of meals, frequency and manner in which they are served to prisoners shall be as described in the American Correctional Association Standard 4-4328, which is incorporated herein by reference.
- A.10. Procedures for air travel shall be as described in the Contractor's proposal, which is incorporated herein by reference.
- A.11. Seriously ill and disabled inmates shall be transported by TDOC and not by the Contractor.
- A.12. Transport officers shall wear readily distinguishable uniforms and picture identification badges provided by the Contractor in accordance with requirements of 28 C.F.R. Section 97.15 which is incorporated herein by reference. Inmates being transported will wear readily identifiable uniforms (jumpsuits) provided by the Contractor.
- A.13. In the event of an escape resulting in whole or part from the Contractor's failure to perform pursuant to the provisions of this Contract, the State may assess liquidated damages in accordance with Section E.4(a)(2) below, and shall have the remedy of Actual Damages and any other remedy available at law or equity. The schedule of any applicable liquidated damages is set forth in Exhibit A of this Contract.
- A.14. Contractor shall provide a minimum ratio of one transport officer to six inmates.

- A.15. Contractor shall have the right to refuse to transport any individual whose condition or behavior, in the opinion of the driver, would be detrimental or dangerous to the safety of the vehicle or its passengers. In the event that the driver refuses to transport any such individual, immediate notification shall be made prior to leaving the pick up location to the TDOC central dispatch office (phone number 741-1000 Extension 4043 or 4044) during the hours of 6:30 a.m. until 4:30 p.m., Monday through Friday or the Charles B. Bass Correctional Complex shift commander (phone number 615-350-3361 Extension 1224) before or after the above hours and on weekends and State holidays. Contractor shall assist the State with arrangements and information at the point of custody to ensure the State has ample time to take custody of the prisoner and to ensure agency with custody does not release the prisoner before the State can arrive to take custody. There shall be no charge to the State in such instances.

Contractor shall immediately report to the local law enforcement agency in the state of occurrence as well as the State any prisoner escape, vehicle accident, medical emergency or other emergency of a life threatening nature. The notification shall be made to the TDOC central dispatch office during the hours of 6:30 a.m. until 4:30 p.m., Monday through Friday or the Charles B. Bass Correctional Complex shift commander before or after the above hours and on weekends and State holidays.

B. CONTRACT TERM:

- B.1. Contract Term. This Contract shall be effective for the period commencing on May 1, 2006 and ending on June 30, 2009. The State shall have no obligation for services rendered by the Contractor which are not performed within the specified period.
- B.2. Term Extension. The State reserves the right to extended this contract for an additional one-year period, provided that the State notifies the Contractor in writing of its intention to do so at least one hundred twenty (120) days prior to the contract expiration date. An extension of the term of this Contract will be effected through an amendment to the Contract. If the extension of the Contract necessitates additional funding beyond that which was included in the original Contract, the increase in the State's maximum liability will also be effected through an amendment to the Contract and shall be based upon the rates provided for in the original contact and proposal.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed one hundred sixty seven thousand five hundred sixty dollars (\$167,560). The Service Rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Service Rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the Service Rates detailed in Section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

- C.2. Compensation Firm. The Service Rates and the Maximum Liability of the State under this Contract are firm for the duration of the Contract and are not subject to escalation for any reason unless amended.
- C.3. Payment Methodology. The Contractor shall be compensated based on the Service Rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in Section C.1. The Contractor's compensation shall be contingent upon the satisfactory completion of units of service or project milestones defined in Section A. The Contractor shall be compensated based upon the following Service Rates:

<u>SERVICE UNIT/MILESTONE</u>	<u>5/1/2006 thru 6/30/2006 Rate</u>	<u>7/1/2006 thru 6/30/2007 Rate</u>	<u>7/1/2007 thru 6/30/2008 Rate</u>	<u>7/1/2008 thru 6/30/2009 Rate</u>	<u>7/1/2009 thru 6/30/2010 Rate*</u>
<b>Per Inmate Per Mile</b>	\$ .99	\$ .99	\$1.02	\$1.02	\$1.05
<b>Minimum Charge Per Inmate Transport**</b>	\$250	\$250	\$250	\$250	\$250

• \*This rate would apply if the contract is extended by amendment for this final year.

• \*\*This is the maximum rate that the State is willing to pay for short transports and is based on 2004-2005 fiscal year transports.

A discount of twenty-five percent (25%) shall apply to the transportation of additional inmates picked up from and transported to the same locations simultaneously.

Transportation mileage shall be determined by the PC\*MILER (current version).

The Contractor shall submit monthly invoices, in form and substance acceptable to the State with all of the necessary supporting documentation, prior to any payment. Such invoices shall be submitted for completed units of service or project milestones for the amount stipulated.

- C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel, meals, or lodging.
- C.5. Payment of Invoice. The payment of the invoice by the State shall not prejudice the State's right to object to or question any invoice or matter in relation thereto. Such payment by the State shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the amounts invoiced therein.
- C.6. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the State, on the basis of audits conducted in accordance with the terms of this contract, not to constitute proper remuneration for compensable services.
- C.7. Deductions. The State reserves the right to deduct from amounts which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee any amounts which are or shall become due and payable to the State of Tennessee by the Contractor.
- C.8. Automatic Deposits. The Contractor shall complete and sign an "Authorization Agreement for Automatic Deposit (ACH Credits) Form." This form shall be provided to the Contractor by the State. Once this form has been completed and submitted to the State by the Contractor all payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee shall be made by Automated Clearing House (ACH). The Contractor shall not invoice the State for services until the Contractor has completed this form and submitted it to the State.
- D. STANDARD TERMS AND CONDITIONS:
- D.1. Required Approvals. The State is not bound by this Contract until it is approved by the appropriate State officials in accordance with applicable Tennessee State laws and regulations.
- D.2. Modification and Amendment. This Contract may be modified only by a written amendment executed by all parties hereto and approved by the appropriate Tennessee State officials in accordance with applicable Tennessee State laws and regulations.
- D.3. Termination for Convenience. The State may terminate this Contract without cause for any reason. Said termination shall not be deemed a Breach of Contract by the State. The State shall give the Contractor at least ninety (90) days written notice before the effective termination date. The Contractor shall be entitled

to receive compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor for compensation for any service which has not been rendered. Upon such termination, the Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

- D.4. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor violates any terms of this Contract, the State shall have the right to immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor.
- D.5. Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, they shall contain, at a minimum, sections of this Contract pertaining to "Conflicts of Interest" and "Nondiscrimination" (sections D.6. and D.7.). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.
- D.6. Conflicts of Interest. The Contractor warrants that no part of the total Contract Amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed relative to this Contract.
- D.7. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Contractor shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.8. Records. The Contractor shall maintain documentation for all charges against the State under this Contract. The books, records, and documents of the Contractor, insofar as they relate to work performed or money received under this contract, shall be maintained for a period of three (3) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.9. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.10. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.11. Strict Performance. Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.
- D.12. Independent Contractor. The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

The Contractor, being an independent contractor and not an employee of the State, agrees to carry

adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Contractor's employees, and to pay all applicable taxes incident to this Contract.

- D.13. State Liability. The State shall have no liability except as specifically provided in this Contract.
- D.14. Force Majeure. The obligations of the parties to this contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, acts of God, riots, wars, strikes, epidemics or any other similar cause.
- D.15. State and Federal Compliance. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.
- D.16. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Contractor agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Contractor acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under ***Tennessee Code Annotated***, Sections 9-8-101 through 9-8-407.
- D.17. Completeness. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D.18. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.
- D.19. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.

E. SPECIAL TERMS AND CONDITIONS:

- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.
- E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by facsimile transmission, by overnight courier service, or by first class mail, postage prepaid, addressed to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number, or address as may be hereafter specified by written notice.

The State:

Roland Colson, Assistant Commissioner  
Department of Correction  
Rachel Jackson Building  
320 Sixth Avenue North  
Nashville, TN 37243-0465

Telephone: 615-253-8171  
Fax: 615-532-8281

The Contractor:

Al Correnti, VP Sales  
PTS of America, LLC  
P.O. Box 121591  
Nashville, Tennessee 37212



TELEPHONE NUMBER: 615-352-9798  
FACSIMILE NUMBER: 615-352-9737

*All instructions, notices, consents, demands, or other communications shall be considered effectively given as of the day of delivery; as of the date specified for overnight courier service delivery; as of three (3) business days after the date of mailing; or on the day the facsimile transmission is received mechanically by the telefax machine at the receiving location and receipt is verbally confirmed by the sender if prior to 4:30 p.m. CST. Any communication by facsimile transmission shall also be sent by United States mail on the same date of the facsimile transmission.*

- E.3. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate the Contract upon written notice to the Contractor. Said termination shall not be deemed a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. Should such an event occur, the Contractor shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- E.4. Breach. A party shall be deemed to have breached the Contract if any of the following occurs:
- failure to perform in accordance with any term or provision of the Contract;
  - partial performance of any term or provision of the Contract;
  - any act prohibited or restricted by the Contract, or
  - violation of any warranty.

For purposes of this contract, these items shall hereinafter be referred to as a "Breach."

a. Contractor Breach— The State shall notify Contractor in writing of a Breach.

- (1) In event of a Breach by Contractor, the state shall have available the remedy of Actual Damages and any other remedy available at law or equity.
- (2) Liquidated Damages— In the event of a Breach, the State may assess Liquidated Damages. The State shall notify the Contractor of amounts to be assessed as Liquidated Damages. The parties agree that due to the complicated nature of the Contractor's obligations under this Contract it would be difficult to specifically designate a monetary amount for a Breach by Contractor as said amounts are likely to be uncertain and not easily proven. Contractor hereby represents and covenants it has carefully reviewed the Liquidated Damages contained in above referenced, Exhibit A and agree that said amounts represent a reasonable relationship between the amount and what might reasonably be expected in the event of Breach, and are a reasonable estimate of the damages that would occur from a Breach. It is hereby agreed between the parties that the Liquidated Damages represent solely the damages and injuries sustained by the State in losing the benefit of the bargain with Contractor and do not include any injury or damage sustained by a third party. The Contractor agrees that the liquidated damage amount is in addition to any amounts Contractor may owe the State pursuant to the indemnity provision or other section of this Contract.

The State may continue to withhold the Liquidated Damages or a portion thereof until the Contractor cures the Breach, the State exercises its option to declare a Partial Default, or the State terminates the Contract. The State is not obligated to assess Liquidated Damages before availing itself of any other remedy. The State may choose to discontinue Liquidated Damages and avail itself of any other remedy available under this Contract or at law or equity; provided, however, Contractor shall receive a credit for said Liquidated Damages previously withheld except in the event of a Partial Default.

- (3) Partial Default— In the event of a Breach, the State may declare a Partial Default. In which case, the State shall provide the Contractor written notice of: (1) the date which Contractor shall terminate providing the service associated with the Breach; and (2) the date the State will begin to provide the service associated with the Breach. Notwithstanding the foregoing, the State may revise the time periods contained in the notice written to the Contractor.

In the event the State declares a Partial Default, the State may withhold, together with any other damages associated with the Breach, from the amounts due the Contractor the greater of: (1) amounts which would be paid the Contractor to provide the defaulted service; or (2) the cost to the State of providing the defaulted service, whether said service is provided by the State or a third party. To determine the amount the Contractor is being paid for any particular service, the Department shall be entitled to receive within five (5) days any requested material from Contractor. The State shall make the final and binding determination of said amount.

The State may assess Liquidated Damages against the Contractor for any failure to perform which ultimately results in a Partial Default with said Liquidated Damages to cease when said Partial Default is effective. Upon Partial Default, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount. Contractor agrees to cooperate fully with the State in the event a Partial Default is taken

- (4) Contract Termination— In the event of a Breach, the State may terminate the Contract immediately or in stages. The Contractor shall be notified of the termination in writing by the State. Said notice shall hereinafter be referred to as Termination Notice. The Termination Notice may specify either that the termination is to be effective immediately, on a date certain in the future, or that the Contractor shall cease operations under this Contract in stages. In the event of a termination, the State may withhold any amounts which may be due Contractor without waiver of any other remedy or damages available to the State at law or at equity. The Contractor shall be liable to the State for any and all damages incurred by the State and any and all expenses incurred by the State which exceed the amount the State would have paid Contractor under this Contract. Contractor agrees to cooperate with the State in the event of a Contract Termination or Partial Takeover.

- b. State Breach— In the event of a Breach of contract by the State, the Contractor shall notify the State in writing within 30 days of any Breach of contract by the State. Said notice shall contain a description of the Breach. Failure by the Contractor to provide said written notice shall operate as an absolute waiver by the Contractor of the State's Breach. In no event shall any Breach on the part of the State excuse the Contractor from full performance under this Contract. In the event of Breach by the State, the Contractor may avail itself of any remedy at law in the forum with appropriate jurisdiction; provided, however, failure by the Contractor to give the State written notice and opportunity to cure as described herein operates as a waiver of the State's Breach. Failure by the Contractor to file a claim before the appropriate forum in Tennessee with jurisdiction to hear such claim within one (1) year of the written notice of Breach shall operate as a waiver of said claim in its entirety. It is agreed by the parties this provision establishes a contractual period of limitations for any claim brought by the Contractor.

E.5. Incorporation of Additional Documents. Included in this Contract by reference are the following documents:

- a. The Contract document and its attachments
- b. All Clarifications and addenda made to the Contractor's Proposal
- c. The Request for Proposal and its associated amendments
- d. Technical Specifications provided to the Contractor
- e. The Contractor's Proposal

In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these documents shall govern in order of precedence detailed above.

- E.6. Confidentiality of Records. Strict standards of confidentiality of records shall be maintained in accordance with the law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State shall be regarded as confidential information in accordance with the provisions of State law and ethical standards and shall not be disclosed, and all necessary steps shall be taken by the Contractor to safeguard the confidentiality of such material or information in conformance with State law and ethical standards.

The Contractor will be deemed to have satisfied its obligations under this section by exercising the same level of care to preserve the confidentiality of the State's information as the Contractor exercises to protect its own confidential information so long as such standard of care does not violate the applicable provisions of the first paragraph of this section.

The Contractor's obligations under this section do not apply to information in the public domain; entering the public domain but not from a breach by the Contractor of this Contract; previously possessed by the Contractor without written obligations to the State to protect it; acquired by the Contractor without written restrictions against disclosure from a third party which, to the Contractor's knowledge, is free to disclose the information; independently developed by the Contractor without the use of the State's information; or, disclosed by the State to others without restrictions against disclosure.

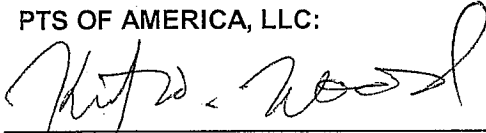
It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Contract.

- E.7. Date/Time Hold Harmless. As required by **Tennessee Code Annotated**, Section 12-4-118, the contractor shall hold harmless and indemnify the State of Tennessee; its officers and employees; and any agency or political subdivision of the State for any breach of contract caused directly or indirectly by the failure of computer software or any device containing a computer processor to accurately or properly recognize, calculate, display, sort or otherwise process dates or times.

- E.8. Tennessee Consolidated Retirement System. The Contractor acknowledges and understands that, subject to statutory exceptions contained in **Tennessee Code Annotated**, Section 8-36-801, *et. seq.*, the law governing the Tennessee Consolidated Retirement System, provides that if a retired member returns to State employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of "employee/employer" and not that of an independent contractor, the Contractor may be required to repay to the Tennessee Consolidated Retirement System the amount of retirement benefits the Contractor received from the Retirement System during the period of this Contract.

IN WITNESS WHEREOF:

PTS OF AMERICA, LLC:

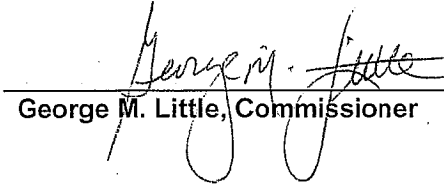


Kent D. Wood, Owner

2/23/06

Date

DEPARTMENT OF CORRECTION:

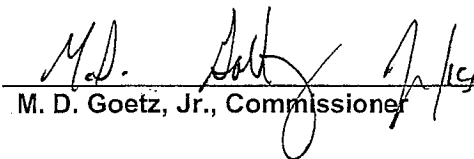


George M. Little, Commissioner

Date

APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:




M. D. Goetz, Jr., Commissioner

3/29/06

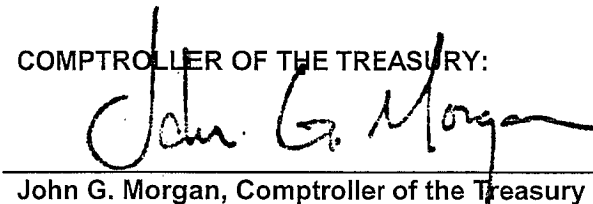
Date

DEPARTMENT OF PERSONNEL:

  
Nat E. Johnson, Acting Commissioner

Date

COMPTROLLER OF THE TREASURY:



John G. Morgan, Comptroller of the Treasury

Date

4/3/06

**Exhibit A**  
**Transportation Services**  
**Schedule of Liquidated Damages**

<b>Non Compliance Issue</b>	<b>Liquidated Damage Amount</b>
Prisoner escape from custody of Transport Company as described in Section A.13. of the contract	\$1,000 per occurrence
Transport Company fails to provide timely notification to local law enforcement in the state of occurrence or fails to notify TDOC in accordance with the events described in the last paragraph in Section A.15. of the contract	\$1,000 per occurrence
Any other non-compliance issue per each prisoner transport including noncompliance with the Interstate Transportation of Dangerous Criminals Act described at Section A.6.d. of the contract	\$500 per each prisoner transport
Transport Company fails to comply with United States Department of Transportation Regulations as described in Section A.8. of the contract	\$500 per each prisoner transport